

REMARKS

Claims 1-8 are present in the instant application. In the most recent Office Action, claims 1-8 are rejected under 35 U.S.C. § 103(a) as allegedly obvious over U.S. Patent No. 6,332,194 to Bloom, et al. ("Bloom") in view of U.S. Patent No. 6,282,654 to Ikeda, et al. Applicant respectfully traverses the rejection.

Bloom was published when issued on 18 December 2001, based upon a filing date of 05 June 1998. In comparison, the instant application has a U.S. filing date of 23 January 2001, nearly 11 months earlier than Bloom's publication. The instant application also claims priority under 35 U.S.C. § 119 to Japanese Patent Application No. 13835/2000, filed 24 January 2000. Therefore, Bloom is prior art only under 35 U.S.C. § 102(e). However, under 35 U.S.C. § 103(c), made applicable to any patent application filed on or after 29 November 1999, like the instant application, prior art only under § 102(e) is not applicable in any rejection under § 103 where the application and the reference were commonly owned at the time the invention was made.

The present application is assigned, and at the time the invention was made was subject to an obligation of assignment, to NEC Corporation. Bloom is assigned to Signafy, Inc. Signafy is a subsidiary of NEC Corporation. Attached hereto as Exhibit A is a press release published by NEC Corporation regarding the establishment of Signafy. Therefore, by virtue of the common corporate parent, at the time the present invention was made, the instant application was commonly owned with the Bloom reference.

Accordingly, the Bloom reference is unavailable for use in and rejection under 35 U.S.C. § 103. Therefore, Applicant respectfully submits that the rejection of claims 1-

8 relying upon Bloom has been obviated, and kindly request favorable reconsideration and withdrawal.

In light of the foregoing, Applicant respectfully submits that claims 1-8 recite patentable subject matter, and kindly solicits an early indication of allowability.

Respectfully submitted,



David J. Torrente
Registration No. 49,099

SCULLY, SCOTT, MURPHY & PRESSER
400 Garden City Plaza - Ste. 300
Garden City, New York 11530
(516) 742-4343

DJT:nf



Press Release

Contacts:-

NEC Corporation	NEC USA
Aston Bridgman (Tokyo)	Lourdes Cogswell (New York)
TEL : 81-3-3798-6511	TEL : 1-516-753-7045
FAX : 81-3-3457-7249	FAX : 1-516-753-7434
E-mail : Aston.Bridgman@HO-PRD.ccgw.nec.co.jp	
E-mail : cogswell@ccgate.ml.nec.com	

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NEC establishes high technology venture startup, SignafyTM, Inc., to market digital watermarking security solutions for multimedia and DVD

NEC Corporation (NEC) will be the first major Japanese corporation to establish a high technology style venture startup company in the US when Signafy(tm), Inc. is opened on May 2. The new venture company will develop and market digital watermarking technology, an extremely robust and secure solution for use in protecting the copyrights of multimedia and DVD (digital versatile disk) content.

NEC's digital watermarking, also referred to as digital fingerprinting, technology enables a user to permanently imbed an invisible identification code in multimedia works. Use of this breakthrough technology is expected to deter copyright piracy of still image, video and audio data. The technology can be used in transmission across the Internet, intranets, digital satellite and digital cable.

"NEC is one of the pioneers in the development of digital watermarking technology, and Signafy intends to be the market leader in multimedia content security solutions," stated Dr. James Philbin, NEC Research Institute Director of Advanced Computing Projects, and acting Signafy president and CEO.

Signafy will operate as a venture start up where management and employees will have significant equity in the company. An intensive search for a CEO with high visibility and a strong track record at a successful startup, is already underway. The new company will aggressively ramp up its engineering, sales and marketing activities in advance of several significant product introductions and partnership announcements over the next six months. NEC Corporation, has proposed its digital watermarking technology to the Copy Protection Technical Working Group (CPTWG) for use with DVD, and the two companies will closely collaborate on DVD and other activities to promote the new technology.

Background

The increasing use of multimedia data across the Internet and other digital media, has led to very serious concerns about copyright protection. Conventional cryptographic

systems offer no way to track reproduction of data, and therefore provide insufficient protection against data piracy. This can result in significant losses for multimedia-based businesses, and has become a considerable impediment to the development of this new market.

Digital watermarking, an invisible identification code, that is permanently embedded in digital image, video and audio data, is a highly effective means of protecting such copyrights. Recent technological advancements, have made a method of protecting the ownership rights of multimedia information a practical necessity.

The NEC Research Institute developed a robust digital watermarking technique in 1996, that places a watermark in perceptually significant components of an image signal. This technique makes the removal of the watermark virtually impossible. Furthermore, because the watermark is inserted into the spectral components of the data, there is no perceptual degradation or distortion of the signal during various transformations including: digital-to-analog and analog-to-digital conversions, resampling, requantization such as printing and compression, rotation, translation, cropping and scaling. The technology avoids these distortions, by using techniques analogous to spread spectrum communications.

Because Signafy's technology can be applied to all three media (audio, still image and video) with only minor modifications, it is especially appropriate for multimedia products. With its robustness and suitability for multimedia applications, Signafy will develop this technology as a standard for MPEG watermarking, for application in such areas as software and digital movies, and for digital satellite and digital cable transmissions.

By initiating the commercialization of this multimedia communications security technology through Signafy, NEC aims to overcome data piracy concerns in order to expand the multimedia information services industry and support its development. NEC is firmly committed to promoting this field and to being the industry leader by the year 2000 when it plans to take Signafy public.

For the Profile of Signafy(tm) , Inc., please see the attached sheet.

Note:

Signafy(tm) is a trademark of Signafy, Inc.

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NEC

Profile of SignafyTM, Inc.

Business activities:	Development, and marketing of multimedia security technology, products and services
Location:	Princeton, New Jersey, United States of America
Establishment:	May 2, 1997
Commencement of business operations:	Immediate
President & CEO:	Dr. James Philbin (Director of Advanced Computing Projects, NEC Research Institute, Inc.)
Employees:	Approximately 20 by the end of the first year
Sales forecasts:	Over US\$20 million by year 2000.

Note:

SignafyTM is a trademark of Signafy, Inc.

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